

KENTUCKY REAL ESTATE APPRAISERS BOARD

TYPE OF MEETING

Regular Meeting

DATE AND LOCATION

January 23, 2009 – Board Office

PRESIDING OFFICER

Dorsey Hall, Chair

ROLL CALL

Present:

Dorsey Hall, Chair
Paul Moore, Vice Chair
Loren Huff, Board Member
Sam E. Blackburn, Board Member
G. Herbert Pritchett, Board Member

Present Also:

Larry Disney, Executive Director
Angie Thomas, Staff Assistant
James Grawe, Board Counsel
Dennis Badger, Investigator
Tom Veit, Investigator

Chair, Dorsey Hall opened the meeting by welcoming the guest.

Motion by Paul Moore, second by Loren Huff and the Board unanimously approved the December 19, 2008 minutes.

EDUCATION

Motion by Sam Blackburn, second by Loren Huff and the Board unanimously agreed to approve the following education courses for fiscal year 2008-09:

- (1) American Society of Farm Managers & Rural Appraisers – One (1) continuing education course:
 - (a) Administrative Review of Appraisal – 8 hours CE
- (2) The Appraisal Institute – One (1) classroom continuing education course and one (1) online QE course;
 - (a) Introduction to Valuation for Financial Reporting – 7 hours classroom CE
 - (b) Online General Appraiser Site Valuation and the Cost Approach – 30 hours

with examination/QE and 14 hours CE

(3) Larry advised the Board that A Pass Weikel has no instructor approved to teach education courses. Motion by Sam Blackburn, second by Paul Moore and the Board agreed to send a letter advising Weikel their approval has been withdrawn and until Weikel could provide an instructor qualifications and the instructor is approved by the Board, their course approval will be reinstated.

(4) Larry Disney advised the Board that The Appraiser Qualifications Board has approved the National USPAP 15 hour and 7 hour courses to be completed online.

EXPERIENCE

Motion by Paul Moore, second by Herbert Pritchett and the Board unanimously agreed to accept the following:

- (1) Eric R. Fegan – Approve experience for Certified General
- (2) Scott D. Kelley – Approve experience for Certified General
- (3) Kelly L. McCoy – Approve experience for Certified Residential
- (4) Pamela Spencer – Approve experience for Certified Residential
- (5) Ginger Yamaguchi – Approve experience for Certified Residential

Motion by Herbert Pritchett, second by Sam Blackburn and the Board unanimously agreed to reject the following:

- (1) J. Craig Dowell – Reject experience for Certified General – Request Mr. Dowell to contact Larry Disney to discuss appraisal reports that were rejected.
- (2) Darin Bruce Wade – Reject experience for Certified General – Request Mr. Wade to submit one additional non-residential appraisal report.

Jennifer Galloway - Motion by Sam Blackburn, second by Paul Moore and the Board agreed that pending the review of reports by Mr. Herbert Pritchett; the board will deny or approve and the decision will be sent to Ms. Galloway and placed on the February agenda.

CERTIFICATION/LICENSURE

Motion by Herbert Pritchett, second by Paul Moore and the Board voted to approve a total of seven (7) individuals for certification/licensure.

- (1) Eric R. Fegan – Certified General
- (2) Scott D. Kelley – Certified General
- (3) Jessica L. Marr – Associate
- (4) Kelly L. McCoy – Certified Residential
- (5) Bob F. Pielsticker – Certified General – Reciprocal with Colorado
- (6) Pamela Spencer – Certified Residential
- (7) Ginger Yamaguchi – Certified Residential

COMPLAINT

- A. Dennis Badger – Report on the contractor activities
- B. The Board was advised there have been a total of 92 cases filed for 2008 and 5 cases filed for 2009.
- C. Agreed Orders:
 - (1) Case No. 08-24
Grievant: KREAB
Respondent: William P. Sanderfer, Jr.
Motion by Sam Blackburn, second by Paul Moore and the Board accepted the agreed order, whereby:
 - (A) **Sanderfer** shall complete a **15** hour Residential Market Analysis and Highest & Best Use, including successful completion of the final examination and a **15** Residential Site Valuation & Cost Approach course, including successful completion of the final examination. Said **30** hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required here in shall be completed by March 31, 2009. Coursework cannot be taken from Dennis Badger & Associates to complete this agreed order requirement.
 - (B) **Sanderfer** shall obtain no Associate appraisers for a period of three (3) years from the date of the agreed order.
 - (C) **Sanderfer** agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order.
 - (2) Case No. 08-24
Grievant: KREAB
Respondent: Mathew Sanderfer
Motion by Sam Blackburn, second by Paul Moore and the Board accepted the agreed order, whereby:
 - (A) **Sanderfer** shall complete a **15** hour Residential Market Analysis and Highest & Best Use, including successful completion of the final examination, a **15** hour Report Writing, including successful completion of the final examination, and a **15** Residential Site Valuation & Cost Approach course, including successful completion of the final examination. Said **45** hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required here in shall be completed by April 30, 2009. Coursework cannot be taken from Dennis Badger & Associates to complete this agreed order requirement.
 - (B) **Sanderfer** shall obtain no Associate appraisers for a period of three (3) years from the date of the agreed order.
 - (C) **Sanderfer** agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order.

(3) Case No. 07-32 – Final Order

Respondent: KREAB

Grievant: David Harrington & Ramona Harrington

Final Order:

- (A) Respondent Ramona Harrington's Associate appraiser license is REVOKED.
Within 90 days from the date of this Final Order, Respondent Ramona Harrington shall pay a fine in the amount of \$500.
- (B) Respondent David Harrington's Certified Real Property Appraiser Certification is SUSPENDED for 90 days, or until he complies with the following conditions, whichever is longer:
 - a. Within 90 days from the date of this final order, Mr. Harrington shall pay a fine of \$100 for the violation of the USPAP Ethics Rule on Recording Keeping; \$100 for the violation of 201 KAR 30:040 Section 4; \$1,000 for the violations of USPAP Rule 2-2(b)(iii); and \$1,000 for the violations of USPAP Rule 202(b)(viii). The total fine is \$2,200.
 - b. Mr. Harrington shall successfully complete the following three courses during the 90-day suspension; Basic Appraisal Principles, 30 hours; Basic Appraisal Procedures, 30 hours; and USPAP, 15 hour National Course.
 - c. Mr. Harrington shall submit to the Board proof from the respective education provider that each of the three courses has been successfully completed, including the final examination, prior to reinstatement of his certification.
- (C) After his certification is reinstated following suspension, his certification shall be placed on probation for a period of two years, during which time Mr. Harrington shall comply with the following conditions:
 - a. Prior to January 1, 2010 David Harrington shall successfully complete the following courses: Residential Market Analysis and Highest and Best Use 15 hours; Residential Appraiser Site Valuation and cost Approach 15 hours; and Advanced Residential Applications and Case Studies 15 hours.
 - b. Mr. Harrington shall submit to the Board certification from the education provider that each of the three courses has been successfully completed, including the final examination.
 - c. During the period of this probation and upon Board request, Mr. Harrington shall make any and all appraisal reports and associated work files available for review by the Board.
 - d. If Mr. Harrington does not comply with the terms of his probation, his certification shall be automatically suspended until he complies.
- (D) Mr. Harrington may choose the companies from whom he takes the education courses listed in paragraphs 2 and 3 above, but the Board must approve the education provider, and the Board will not approve the following providers: Dennis Badger & Associates; the Louisville Board of Realtors; and A Pass Weikel Real Estate School.

(4) Case No. 07-38 – Grievant: KREAB

Respondent: David Harrington

Final Order and Agreed Order

(1) Following a review by the Board of the facts and circumstances associated with the case against Harrington, It is hereby, stipulated, agreed and ordered:

- a. Harrington license shall be SUSPENDED from ninety (90) days, with said suspension to run concurrently with the suspension ordered by the Board in the case KREAB vs. David A. Harrington, et al., Administrative Action No. 08-KREAB-0287.
- b. Harrington is hereby ordered to pay a fine in the amount of two thousand (\$2,000) dollars, with said amount deemed to be included in the fulfilled by the payments of the two thousand (\$2,000) fine ordered by the Board in the case of KREAB vs. David G. Harrington, et. al., Administrative Action No. 08-KREAB-0287.
- c. Harrington shall complete the following three courses during the 90-days of suspension set forth in (a) above; however, under no circumstances shall early completion of these courses be deemed to terminate the suspension prior to the full 90 days. The education provider certification indication each of the courses has been successfully completed; including the final examination must be presented to the Board prior to the suspension being lifted even should this cause the suspension to run beyond the 90 day period. The three courses are: (1) Basic Appraisal Principles (30 hours); (2) Basic Appraisal Procedures (30 hours); (3) USPAP 15-hours National Course (15 hours).
- d. Harrington shall complete the following courses including successful completion of the final examination, prior to January 1, 2010: (1) Residential Market Analysis and Highest and Best Use (15 hours); (2) Residential Appraiser Site Valuation and Cost Approach (15 hours); (3) Advanced Residential Applications and Case Studies (15 hours).
- e. In order to ensure that Harrington does not duplicate coursework that he received previously, he shall not take any of the courses set out in paragraphs (c) and (d) above from the Louisville Board of Realtors or A Pass Weikel Real Estate School. Additionally, Harrington shall not take the courses from Dennis Badger & Associates.

(5) Case No. 07-21, 07-27, 07-64, 07-65, 07-66, 07-67

Grievant: KREAB

Respondent; Joe Weddington

Motion by Sam Blackburn, second by Paul Moore and the Board accepted the agreed order, whereby:

- (a) **Weddington** hereby agrees that he will not appraise any property types for Federally Related Transactions or real estate related loan transactions.
- (b) **Weddington** hereby agrees that his Certified General Real Property Appraiser Certificate shall be and is voluntarily surrendered effective April 15, 2009. The Board recognizes that this action does not affect **Weddington's** status to testify in civil actions except that he shall not use the title Certified Appraiser as prohibited by KRS 324A.030.
- (c) **Weddington** also agrees that he shall not seek or otherwise be eligible for reinstatement or certification as a Kentucky certified appraiser for three years

minimum from the date of the this Agreed Order. If **Weddington** seeks reinstatement at the end of the three (3) year period, the provisions of KRS 324A.050(2) shall apply to the petition for reinstatement. The Board affirmatively states that no additional requirements over and above the educational and examination requirements under KRS 324A.050(2) and the regulations which are normally applicable to an individual petitioning for reinstatement shall be required by the Board.

- (d) **Weddington** shall be fined the sum of \$500.00 with total amount due within thirty days of the date of this Agreed Order.
- (e) This action shall constitute Board disciplinary action against **Weddington**.

- (6) Case No. 08-21
Grievant: KREAB
Respondent: Matt Minard
Motion by Sam Blackburn, second by Paul Moore and the Board unanimously agreed to file a formal complaint and set the case for a hearing.
- (7) Case No. 07-70
Grievant: KREAB
Respondent: Richard Burge
Motion by Sam Blackburn, second by Paul Moore and the Board unanimously agreed to file a formal complaint and set the case for a hearing
- (8) Case No. 07-71
Grievant: KREAB
Respondent: Richard Burge
Motion by Sam Blackburn, second by Paul Moore and the Board unanimously agreed to file a formal complaint and set the case for a hearing
- (9) Case No. 07-72
Grievant: KREAB
Respondent: J. Robert Ford
Motion by Sam Blackburn, second by Paul Moore and the Board unanimously agreed to file a formal complaint and set the case for a hearing

MISCELLANEOUS

- A. Stephen T. Porter – Did not renew license June 30, 2008. Request to place license inactive. Motion by Sam Blackburn, second by Loren Huff and upon review of the statue, the Board denied the request for Mr. Porter.
- B. Budget ending December 31, 2008
- C. ASC review and letter with submission of documents
- D. ASC new initiatives being implemented
- E. KREAB Supervisor/Associate Training Course – January 9, 2009 – Erlanger – Evaluation Form, Results from exam and exam – The Board will look over exam and submit proposed changes to Larry Disney.
- F. Memo to Board concerning the experience of Sherry Spalding - Motion by Herbert Pritchett, second by Sam Blackburn and the Board unanimously agreed to deny the application for Certified Residential.

- G. Motion by Herbert Pritchett, second by Sam Blackburn and the Board agreed to file a grievance against Mr. Jason Ferris, for not properly supervising Ms. Sherry Spalding.
- H. Information concerning Appraisers collecting AMC fees at the door – Mr. Pritchett suggested the Board take the lead to regulate AMC's. Larry is to obtain information from other states regulating AMC's and present the information at the February Board meeting. Motion by Herbert Pritchett to adopt a policy for collecting AMC's fees at the door with the check made payable to the appraiser, a second was made by Sam Blackburn
- I. Board discussion on vacant staff position – Motion by Herbert Pritchett, second by Paul Moore and the Board unanimously agreed to fill the vacant staff position. A job description will be presented to the Board for review.
- J. Board discussion on reports received for experience credit – Mr. Dorsey Hall has appointed Sam Blackburn and Herbert Pritchett to work with Larry Disney on the experience credit.
- K. Motion by Paul Moore, second by Sam Blackburn and the Board agreed to reimburse Larry Disney on the difference for the airline cost and car rental for the travel from the Nashville, TN airport to the Bowling Green seminar.
- L. The Board agreed to issue an RFP for a hearing officer for an amount \$20,000 and will be issued through June 30, 2010.
- M. Board Discussion on redacting information from cases:
 - (a) Send a brief synopsis to Board members
 - (b) Do not send anything except for investigation reports
 - (c) Only list cases on agenda

NEW BUSINESS

- A. KREAB Seminar – Bowling Green, Friday, February 6, 2009
- B. KREAB Seminar – Louisville, Friday, February 27, 2009
- C. Appraisal Subcommittee Review – March 25, 26, & 27, 2009

The next Board meeting is scheduled for Thursday, February 26, 2009 – 1:00 p.m. – Holiday Inn Hurstbourne, Louisville, KY.

Motion by Loren Huff, second by Paul Moore and the Board voted unanimously to adjourn the meeting.



Chair



Staff Assistant